SMR operators and their customers. As customer's coverage experience with existing operators is cut off by short-spacing, they will, in our experience, turn to the larger operator - in this case Nextel. As it is now, the remaining three percent (3%) of independent operators in Washington state are unable to expand their service by getting new frequencies for existing customers, (we have had to turn away demand for the first time this year). We also face the prospect of loss of coverage area due to this concentration, and further erosion of the customer base.

We expect the market concentration also will lead to dramatic decreases in service and availability of equipment from manufacturers competing with Motorola for SMR operator business, since Nextel is installing and planning to install Motorola equipment, a fact not lost on our customer base. Motorola salesmen are claiming that Motorola will be the only equipment manufacturer to survive, and customers should make the switch now.

Short spacing. Market concentration also permits a concentrated pattern of short-spacing through the construction of interfering transmitters at closer sites. The ability of existing SMR operators to remain viable will be further reduced, leading to even further concentration in the market.

Washington State, Oregon, and Idaho are characterized by high mountain tower sites overlooking valleys and plains. Such high tower sites increase interference between co-channel operations, because SMR, like other radio operations, gets a substantial "line of sight" boost from high mountain tower sites. The FCC in some instances has recognized that additional separations are needed between co-channels, for instance, on selected mountain sites in Washington and California. See 90.621(b)(2)(ii), Table 1, and (3), attached hereto as Attachment 2.

As a result of the merger, Nextel will be able to build short-spaced co-channel stations which will create interference to the independent operator's frequencies. This will make the co-channel frequencies unusable both to Nextel and the independent operator in a significantly greater area than that contemplated by the FCC's short spacing rules, because of the unique terrain in these states. In Washington and Idaho, many cases of unacceptable co-channel interference have been experienced from transmitters not short-spaced, but located at least 70 miles from each other. These examples of interference generally have been corrected in the past through contacts and discussions with the FCC staff.

However, since Nextel controls the market, it can operate on other frequencies, even while it creates interference to a competitor from short-spaced transmitters; the independent operator has no access to other frequencies to avoid interference, and will lose a substantial portion of its customer base as a result. Normal coverages of 60-70 miles will be effectively reduced to 25 miles or less. Thus, Nextel, using the Commission rules, can put a competitor using non-Motorola equipment in rural mountainous areas out of business by constructing already licensed short-spaced transmitters to interfere with a competitor, while it conducts actual operations on other non-interfering frequencies which a competitor cannot get access to.

One of the most startling findings in reviewing the database was the fact that, in the first week of August, just prior to the freeze, the Gettysburg licensing staff only processed OneComm applications. There was no processing of any other private radio, safety, or SMR applications during this period in these states. See Attachments 3 and 4, which provides sorting by date of grant for the first 10 days of August, 1994 in Washington and Oregon.

I have read and am familiar with the attached Comments on Proposed Antitrust Final Judgment. The statements of fact are true and correct to the best of my knowledge and understanding based on my experience in the SMR industry. This declaration is given under pains and penalties of perjury.

William Holesworth

Dated: December 14, 1994

<u>EXHIBIT L</u>

Wall Street Journal Article
January 3, 1995, page 14
"For Nextel, '94 Was Best of Times
and Worst of Times"

For Nextel, '94 Was Best of Times and Worst of Times

Shares Soared on Promise of Cellular Network, Then the Bubble Burst

By GAUTAM NAIK
Staff Reporter of THE WALL STREET JOURNAL

Morgan E. O'Brien sometimes indulges in an unlikely pastime, a plunge on a roller coaster. The recent fortunes of his company, Nextel Communications Inc., may have given him his most dizzying ride yet.

Tiny, brash Nextel rose to prominence in the past year by using an ever-soaring stock price to acquire legions of radio-dispatch licenses, tapping Wall Street's hunger for wireless plays by tirelessly promoting itself as a someday rival of cellular giants.

But Nextel shares have plunged about 70% from their 52-week high, wiping out $2.5 billion in market value in the past nine months. The company has failed to find a backer since MCI Communications Corp. bailed out of a planned $1.36 billion investment in August. Technical glitches continue to snarl its new phone service in California. Lacking cash, Nextel has also shelved plans to bid for federal licenses to provide new "personal communications services."

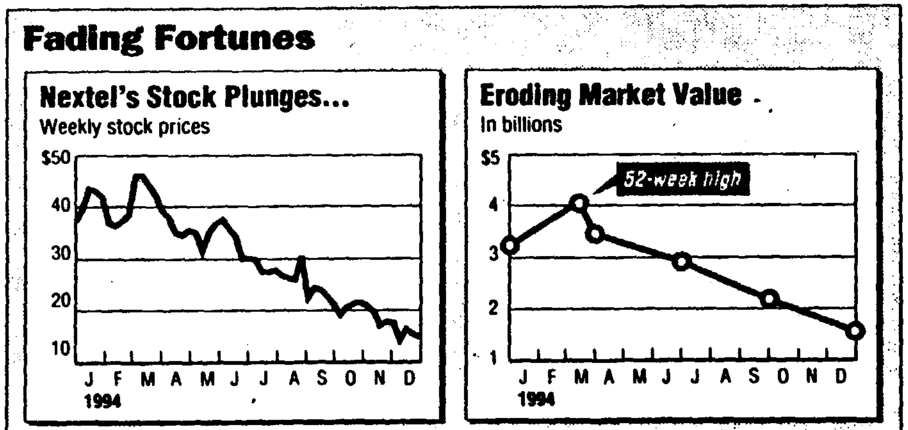
Company Lowers Sights

Now Nextel has all but abandoned ambitions to become a cellular titan any time soon. It will get back to basics, jazzing up the dispatch services, which will provide $200 million in annual revenue when all of its transactions close. The company will also have a captive base of 750,000 old-line dispatch customers, including taxi drivers, contractors and plumbers.

Nextel must persuade customers who spend only about $20 a month to spend as much as three times that sum to get a new array of fancier features, such as wireless messaging and cellular phone service. That would help Nextel close an $800 million gap in funding a $2.5 billion overhaul of its dispatch systems. The company, which has annual cash flow of $29 million, is binding some 400 systems into a national wireless network, and in three years will face $150 million in annual interest payments on $1.7 billion in junk-bond debt.

Customers for Nextel's new offerings may not be there. Most of its current customers "aren't interested in the bells and whistles," contends Robert Janssen, president of San Diego, Calif., dispatcher Cardiff Mobile Communications Inc. His clients lease only five to 10 radios and pay monthly fees of $12 to $14 a unit. "They are primarily price-motivated," he says. And many big corporations already run their own networks.

Nextel won't find the $800 million it needs from the equity and debt markets. And its major patron Motorola Corp. may be running out of patience. Motorola, which intends to equip the network, has already offered $685 million in vendor financing, after agreeing last summer to sell all of its dispatch systems to Nextel for stock valued at $1.7 billion. Since then the value of Motorola's Nextel stake has fallen by about $800 million, and Motorola's pact with Nextel leaves it no escape clause.



Sources: Baseline, Company reports

Wall Street fell in love with Nextel as the little-known dispatch company gathered up hundreds of scratchy systems at cheap prices and tried to multiply their value by turning them into a new national phone system.

This compelling vision was largely propagated by Nextel and its underwriters at Merrill Lynch & Co. Nextel's Mr. O'Brien, fair-haired and silver-tongued, unabashedly proclaimed. "Our Nextel system is a replacement for the national telephone infrastructure." A late 1993 forecast by Merrill Lynch analyst Linda Runyon suggested that Nextel could sign up more than 400,000 new wireless customers in 1995 alone and possibly triple that in four years. Nextel today has 15,000 digital subscribers.

Such hype inflated Nextel's stock price even as the company floated millions of new shares to fund its buying binge, and led to the stock's crash when it became painfully clear that the cellular ambitions had been oversold. At the stock's 52-week high of $46.75 in March, nine Wall Street analysts had healthy "buy" recommendations on Nextel; even by June, when the stock had fallen by more than one-third, eight analysts were still pushing a "buy."

"Every analyst was so positive on Nextel. They were dead wrong," says Scott Vergin, former fund manager of Lutheran Brotherhood Fund, which acquired 250,000 Nextel shares at $40 a share and finally sold at about $30, resulting in a loss of $2.5 million. "It's been very humbling," says Stephanie Comfort, a Morgan Stanley & Co. analyst who has maintained a "buy" rating on Nextel from the moment it went public three years ago through the stock's rise and plunge.

Mr. O'Brien counters that Nextel had never portrayed itself as the next cellular giant pursuing "glove-compartment" consumers. Instead, it has always aimed its new cellular features at "the mobile work force" now using dispatch. As for the national digital network, hardly useful to a local plumber, Mr. O'Brien now says it would lure corporate accounts.

Those assertions stun some analysts. "Morgan O'Brien oversold Nextel, he drove way beyond his headlights," says Jan Klein of Dean Witter Reynolds Inc., who initiated coverage of Nextel on Dec. 22 with a "sell" rating. Another analyst privately asserts, "Nextel was never described as a big corporate-fleet kind of company. That's disingenous."

If Nextel's cellular dreams are fading, what is its value as a pure dispatcher? Morgan Stanley's Ms. Comfort estimates $6 to $7 a share. With the stock in the $14 range, investors seem to be placing a premium of more than $7 a share on Nextel's cellular prospects. At Nextel's peak, the premium was almost $40 a share.

Beloved by Short Sellers

Even the smaller premium could be risky. In a Dec. 27 letter to investors, Nextel disclosed that its Motorola system is taking "much longer than expected." Nextel has the largest short position of all Nasdaq stocks, suggesting investor bearishness. By mid-December, investors had sold some 12 million Nextel shares short, up almost two million shares in a month.

As a pure dispatch player, "there's no question Nextel would be the premier state-of-the-art company in the nation," says Frederick Moran of Salomon Brothers, a consistent bear on Nextel. Few observers, however, believe Mr. O'Brien will be content in the backwaters of the dispatch market. Nextel says it has just turned on its digital networks in Chicago and New York.

But Alan Shark, president of the American Mobile Telecommunications Association, a dispatch industry group that Nextel belongs to, says Nextel "would have been better off not shooting for the moon and comparing themselves with the cellular industry in the first place."